

STATE OF WASHINGTON



OFFICE OF
INSURANCE COMMISSIONER

In the Matter of INSURANCE COMPANY
OF THE WEST, An Authorized Insurer

No. D 02-217

CONSENT ORDER
IMPOSING A FINE

FINDINGS OF FACT:

1. Insurance Company of the West ("West") is authorized to write property and casualty insurance in Washington state.
2. West is subject to Title 48 RCW, the Insurance Code, and to Title 284 of the Washington Administrative Code (WAC), which require each authorized property and casualty insurer in the state to "...record and report its Washington state loss and expense experience and other data, as required by RCW 48.05.390, on a form issued by the commissioner." This special liability report covers the period ending December 31 of each year. It must be submitted not later than May 1 of the following year. Consequently West submitted special liability reports for the years 1999, 2000, and 2001. West's special liability reports for 1999 and 2000 were stamped "NONE", meaning that it had no data to report for those two years. In its special liability report for 2001, West put data into the wrong column on the report. When an OIC staff member noticed this and corresponded with West, he learned that West had data to report in the years 1999 and 2000, which it had failed to report.

CONCLUSIONS OF LAW:

1. West's failure to report its data at all for the years 1999 and 2000, and its failure to report its data for 2001 correctly by having it in the correct columns on the form, were violations of WAC 284-07-010. They were also violations of RCW 48.05.380, "Reports by property and casualty insurers" and of RCW 48.05.390, "Reports by various insurers-Contents."
2. RCW 48.05.140(1), "Certificate of authority-Discretionary refusal, revocation, suspension" provides that the insurance commissioner has the discretion to refuse, suspend or revoke an insurer's certificate of authority if the insurer "...Fails to comply with any provision of this code other than those for violation of which refusal, suspension or revocation is mandatory."
3. RCW 48.05.185, "Fine in addition to or in lieu of suspension, revocation or refusal" provides that "After hearing or with the consent of the insurer and in addition to or in lieu

of the suspension, revocation or refusal to renew any certificate of authority, the commissioner may levy a fine upon the insurer in an amount not less than two hundred fifty dollars and not more than ten thousand dollars.”

CONSENT TO ORDER:

Insurance Company of the West stipulates to the foregoing Findings of Fact and Conclusions of Law and consents to this order, which imposes a fine of \$5500 (Five Thousand Five Hundred Dollars and no/100). Of this amount, \$3250 (Three Thousand Two Hundred Fifty Dollars and no/100) will be suspended for two years upon condition that the company make no similar errors (omitting to report data which should be reporting, and/or placing data in the wrong columns on the report form) during that time. If no similar errors occur during that time, the commissioner will waive the suspended amount of \$3250. If similar errors do occur, the suspended amount of \$3250 will be immediately due and payable to the insurance commissioner, plus any other fines and sanctions which the commissioner may impose for these additional violations.

The unsuspended amount of \$2250 (Two Thousand Two Hundred Fifty Dollars and no/100) must be paid in full within thirty days of the entry of this order. Failure to pay it timely and in full will constitute grounds for the revocation of the certificate of authority held by Insurance Company of the West in Washington state. It will also result in a civil action to recover the fine, brought on behalf of the Insurance Commissioner by the Attorney General of the state of Washington.

Insurance Company of the West acknowledges its duty to comply with the insurance laws and regulations of the state of Washington.

Executed this 15th day of November, 2002.

INSURANCE COMPANY OF THE WEST

Typed Name: _____
Typed Corporate Title: _____

ORDER:

Pursuant to RCW 48.05.185, the insurance commissioner imposes a fine of \$5500 (Five Thousand Five Hundred Dollars and no/100) upon Insurance Company of the West, expressly in lieu of proceedings against the certificate of authority held by that insurer in Washington state. Of this amount, the sum of \$3250 (Three Thousand Two Hundred

Fifty Dollars and no/100) will be suspended for two years from entry of this order, upon condition that the insurer not commit any similar errors (failing to report data which should be reported, or reporting data in the wrong column of the form) during that time. If there have been no similar errors during that two year period, the commissioner will waive the suspended amount of \$3250. If similar errors occur during that two year period, the suspended amount of \$3250 will be immediately due and payable, together with such other and further fines and sanctions which may be levied.

The unsuspended amount of \$2250 (Two Thousand Two Hundred Fifty Dollars and no/100) is to be paid within thirty days of the entry of this order. Failure to pay this amount timely and in full will constitute grounds for the revocation of the certificate of authority held by the insurer in Washington state. It will also result in a civil action to collect the fine, brought on behalf of the insurance commissioner by the Attorney General of Washington.

ENTERED AT TUMWATER, WASHINGTON, this 21st day of November, 2002.

MIKE KREIDLER
Insurance Commissioner

William Kirby
Legal Affairs Division